

# HOUSE BILL REPORT

## HB 1595

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**As Reported by House Committee On:**  
Agriculture & Natural Resources  
Capital Budget

**Title:** An act relating to creating a mechanism to transfer state forest lands with harvest encumbrances located in counties with a certain population to a different public land status.

**Brief Description:** Regarding the transfer of certain state forest lands.

**Sponsors:** Representatives Blake and Chandler.

**Brief History:**

**Committee Activity:**

Agriculture & Natural Resources: 2/3/09, 2/10/09 [DPS];  
Capital Budget: 2/19/09 [DPS(AGNR)].

**Brief Summary of Substitute Bill**

- Authorizes the Department of Natural Resources to transfer lands to another public agency without an auction if the lands are located in a county with a population of 25,000 or fewer and if the lands are encumbered with timber harvest deferrals longer than 30 years.

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### HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Blake, Chair; Jacks, Vice Chair; Chandler, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Liias, McCoy, Nelson, Ormsby, Van De Wege and Warnick.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Kretz and Pearson.

**Staff:** Jason Callahan (786-7117)

**Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Department of Natural Resources (DNR) manages certain lands for the benefit of the county where the lands are located. Revenue from these lands are divided between the county and the DNR. The DNR is authorized to transfer or dispose of certain lands without public auction if the lands are 10 acres or less in size or valued at less than \$25,000, or if the transfer is designed to settle trespass issues or take the place of condemnation. Proceeds from any transfers are deposited into the Park Land Trust Revolving Fund and are used to buy replacement lands within the same county.

The DNR also manages the Trust Land Transfer Program (Program), which is typically authorized and funded in each biennial capital budget. The Program is generally used to reposition less productive lands with lands that can sustain a higher timber yield.

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**Summary of Substitute Bill:**

The DNR is authorized to transfer lands to another public agency without an auction if they are located in a county with a population of 25,000 or fewer and if the lands are encumbered with timber harvest deferrals associated with wildlife species listed under the federal Endangered Species Act. To qualify, the timber deferrals in a county must be for a period of time longer than 30 years.

All appraisals for the valuable materials located on the lands must be based on the fair market value of the land without consideration of management or regulatory encumbrances. Any proceeds associated with the valuable materials located on the transferred lands must be distributed between the DNR and the county where the transferred land is located.

By October 31, 2010, the DNR is required to report to the Legislature its recommended procedures and timelines, along with estimated costs of conducting transfers from the qualifying counties. The report must assume that transfers will occur through the trust land transfer program, and that the transferred lands will become natural resource conservation areas. Recommendations and estimates in the report also must assume that the land transfers will occur at a specified biennial rate designed to provide sustainable revenues to the affected counties and that the land and timber values will be distributed separately, with timber revenues directed to the county and land revenues used to fund future land purchases.

**Substitute Bill Compared to Original Bill:**

The original bill only allowed counties with a population of fewer than 16,000 residents to qualify for the bill's provisions and did not specify that the timber deferrals must be associated with the Endangered Species Act.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill ensures that counties with low populations that depend on state timber revenue and are disproportionately affected by the Endangered Species Act can reposition county lands in a manner that protects resources and generates revenue. The most important habitat lands are set apart for conservation purposes, and the value of the land is repositioned in a way that keeps working land working.

In Wahkiakum County, revenue from public timber represents 40 percent of the county's budget. Harvest restrictions to protect the marbled murrelet have decreased revenue from DNR lands more than 70 percent. Wahkiakum and Skamania counties may cease to exist if financial help is not provided, and other timber-dependent counties will see a drastic cut in services and an increased reliance on property taxes.

There is no commitment for the state to produce additional money for the affected counties. Instead, the counties wish to participate in the already established Program. The Program historically has been used for school construction, but the same model can assist counties with their financial needs. This will help create long-term viability for timber-dependent counties.

(Opposed) None.

**Persons Testifying:** Josh Weiss, Washington State Association of Counties; Dan Cothren, Wahkiakum County Commissioner; Jon Kaino, Pacific County Commissioner; Peter Goldmark, Commissioner of Public Lands; and Bill Robinson, The Nature Conservancy.

**Persons Signed In To Testify But Not Testifying:** None.

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**HOUSE COMMITTEE ON CAPITAL BUDGET**

**Majority Report:** The substitute bill by Committee on Agriculture & Natural Resources be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Warnick, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Anderson, Blake, Chase, Hope, Jacks, Maxwell, McCune, Orwall, Smith and White.

**Staff:** Annie Pennucci (786-7142)

**Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On Agriculture & Natural Resources:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) The bill will help with county solvency.

(Opposed) None.

**Persons Testifying:** Clay Sprague, Department of Natural Resources; Josh Weiss, Washington State Association of Counties; and Dan Cothron, Wahkiakum County.

**Persons Signed In To Testify But Not Testifying:** None.